



FINANCE AND ADMINISTRATION CABINET  
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**Money Tips for College Students: How to Make It, Use It and Save It**

**Be aware of the value of compound interest**

Students who begin saving while in high school or college may see their savings soar if they make use of compound interest.

Don't worry if you can't save much at first, because you are just getting used to your money plan. But do try to sock away as much as you can every week or every paycheck. It will add up fast, which will come in handy when you are ready to benefit from compound interest.

When you invest money, that money earns interest. Compound interest is when your money (or your original investment) plus the interest it has earned continues to earn additional interest.

If you start investing early in your life, you have many more years to take advantage of what Albert Einstein reportedly called "the most powerful force in the universe." And it doesn't take much cash to invest to make big bucks. If you save \$100 a month for 40 years and earn a 12 percent return, you'll wind up with \$980,000. And you don't need thousands of dollars to start investing. Some plans are as little as a few hundred dollars. So, save away and let your money work for you for a change.

To learn how to plan and prepare for higher education, visit [www.GoHigherKY.org](http://www.GoHigherKY.org). For more information about student financial aid, visit [www.kheaa.com](http://www.kheaa.com); write KHEAA, P.O. Box 798, Frankfort, KY 40602-0798; or call (800) 928-8926, extension 7381.

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